

- enhancing institutional credit flow to the farmers and strengthening of cooperative credit structure;
- ensuring timely availability of quality inputs;
- promoting farmer friendly, demand driven agriculture extension system;
- accelerating diversification to high value crops including horticulture activities;
- strengthening infrastructure and the supply chain;
- optimizing the efficient utilization of available water resources through micro irrigation and enhancing the sustainability of dry land/rain fed farming system; and
- putting in place a broader spectrum of risk management apparatus for farmers.

### **Investment in Agriculture Sector**

1817. SHRI C. RAMACHANDRAIAH: Will the Minister of AGRICULTURE be pleased to state:

- (a) the extent of investment made in the agriculture sector during the last three years through various schemes and projects;
- (b) whether the investments in the agriculture sector has been declining continuously;
- (c) if so, the reasons therefor;
- (d) whether Government have formulated any scheme to increase the investment in agriculture; and
- (e) if so, the steps taken by Government to increase the investments in the agriculture sector?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) to (e) The data on the extent of investment in the agriculture sector including allied sectors of forestry, logging and fishing, by both private and public sector, is captured in the statistics of Gross Capital Formation (GCF) compiled by Central Statistical Organisation (CSO). The details of GCF in agriculture including allied sectors of forestry,

logging and fishing for the last three years can be seen from the table below:

**Trends in Gross Capital Formation in Agriculture including allied sectors of Forestry, Logging and Fishing at 1999-2000 series**

| (Rs. in crores at 1999-2000 Prices) |       |
|-------------------------------------|-------|
| 1999-00                             | 50151 |
| 2000-01                             | 44548 |
| 2001-02                             | 55473 |
| 2002-03                             | 54574 |
| 2003-04                             | 55254 |
| 2004-05 (P)                         | 52839 |

P = Provisional.

At 1999-00 constant prices, the total investment in agriculture including allied sectors of forestry, logging and fishing, fluctuated from Rs. 50151 crore during 1999-00 to Rs. 56254 crore during 2003-04, and declined to Rs. 52,839 crore during 2004-05.

As per Mid-Term Appraisal of Tenth Five Year Plan, huge amounts are spent on various subsidies namely, food, fertilizer, power and irrigation which have crowded out the resources for public investment in agriculture related infrastructure.

The major steps taken to increase the investment in the agriculture sector are as follows:

- Increase in the rate of public investment in sectors like irrigation including micro irrigation, watershed development, rural road connectivity, rural electrification.
- Agriculture diversification through horticulture and floriculture.
- Development/strengthening of modern agricultural markets through public private partnership.
- Reorientation of banks towards extending credit, especially production credit, to rural and farmers' households at concessional rate of interest.
- Revitalization of Agricultural research to ensure full exploitation of scientific advances for improving productivity according to agro-climatic conditions.
- Revitalization of Agricultural extension system through Krishi Vikas Kendras in each district.
- Contract farming to attract corporate investors.